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RADIO TELEVISION CABLE SATELLITE

Broadcasting Apr 25

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57th Year 1988

NAB'S FLOOR SHOW

MIP-TV '88

Vol. 114 No. 17

Broadcasting Apr 25

Writers strike: the damage escalates...page 35

'Seeing is believing' at NCTA in LA...page 37

Wrap-up and rundown of NAB's largest exhibit...page 45

LET THE SWEEPS BEGIN □ Although ongoing writers strike has forced cancellation of some scheduled series finales, three commercial broadcast networks are planning more than 50 hours of "special" programing for upcoming May sweeps period. **PAGE 36.**

GOING HOLLYWOOD □ Programing will be major focus of NCTA's annual convention being held in Hollywood's backyard. **PAGE 37.**

ASK AND YOU SHALL RECEIVE □ Request Television announces launch of second pay-per-view service in effort to satisfy growing demand for PPV service and to give consumer "lot of convenience," says Request chairman and CEO, Jeffrey Reiss. **PAGE 38.**

EXTRA INNINGS □ Baseball team owners consider starting all-baseball cable channel. **PAGE 39.**

EVERYTHING'S UP TO DATE IN LAS VEGAS □ NAB's 1988 equipment exhibition sets new records in attendance, square footage and number of exhibiting companies. BROADCASTING's roundup of radio, TV, satellite transmission, production and post-production products offered during show begins on **PAGE 45.** High-definition television had a high profile at NAB convention, with more discussion of medium in meeting rooms and higher visibility of HDTV equipment on exhibit floor. **PAGE 55.**

CANNES DO □ More than 6,000 international TV executives are expected to attend MIP-TV in Cannes, France, this week, including representatives of Hollywood studios, independent producers and broadcast and cable networks. Preview of events and exhibitors begins on **PAGE 58.**

PERCY'S PEOPLEMETERS □ New York-based R.D. Percy plans to take its peoplemeter TV rating service national. **PAGE 58E.**

KISS AND TELL □ Former White House spokesman Larry Speakes apologizes for some of his remarks published in "Speaking Out: The Reagan Presidency from Inside the White House." Book review on **PAGE 62.** Former CBS News President Ed Joyce offers vivid picture of CBS News, including provocative portrait of anchor Dan Rather. Book review on **PAGE 68.**

HAPPY SITUATION □ Wilmer, Cutler & Pickering's Timothy Dyk makes it his business to protect broadcasters' First Amendment rights; it's also his pleasure. **PAGE 95.**

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BY THE NUMBERS

Summary of broadcasting and cable

BROADCASTING			
SERVICE	ON AIR	CP's	TOTAL *
Commercial AM	4,908	170	5,078
Commercial FM	4,045	418	4,463
Educational FM	1,314	173	1,487
■ Total Radio	10,267	761	11,028
FM translators	789	444	1,233
Commercial VHF TV	538	23	561
Commercial UHF TV	481	222	703
Educational VHF TV	118	3	121
Educational UHF TV	212	25	237
■ Total TV	1,349	273	1,622
VHF LPTV	93	74	167
UHF LPTV	258	136	394
■ Total LPTV	351	210	561
VHF translators	2,869	186	3,055
UHF translators	1,921	295	2,216
ITFS	250	114	364
Low-power auxiliary	824	0	824
TV auxiliary	7,430	205	7,635
UHF translator/boosters	6	0	6
Experimental TV	3	5	8
Remote pickup	12,338	53	12,391
Aural STL & intercity relay	2,836	166	3,002

CABLE	
Total subscribers	45,000,000
Homes passed	71,500,000
Total systems	8,000
Household penetration†	51.1%
Pay cable penetration	28.6%

* Includes off-air licenses.

† Penetration percentages are of TV household universe of 88.6 million.

dren's Television, FCC launched broad inquiry into children's advertising. In its comments, ACT asked FCC to limit children's advertising to nine-and-a-half minutes per hour and require two-year period before toys featured in programs can be promoted.

NAB has presented survey indicating that advertising in children's programing is currently under proposed 9.5 minute limit.

Comparative Renewal Reform

■ FCC is moving ahead with plans to revamp comparative renewal process. At National Association of Broadcasters convention, FCC Chairman Dennis Patrick called for changes to curb use of process to force broadcasters into lucrative settlements and to establish "clearly articulated standard" that, if met, would assure broadcasters "a reasonable expectation of renewal."

Assuaging concerns of NAB, Patrick indicated FCC would stop short of adopting changes that would virtually assure license renewal. NAB feared that such an approach could cause congressional backlash.

Reform has some support on Hill, particularly from Republicans. Seventeen Republican members of House Commerce Committee sent letter to FCC Chairman Dennis Patrick urging him to reform comparative license renewal procedures.

Leibowitz & Spencer, Miami-based communications law firm, has asked FCC to expedite its earlier petition for reform rulemaking to put potential challengers on notice that applications may be subject to more stringent scrutiny than in past.

Crossownership

■ *Telco-cable*—Two weeks ago (April 12), FCC Common Carrier Bureau issued waiver of its Cable-telco crossownership rules, allowing GTE to build cable system in Cerritos, Calif. Cable groups, including National Cable Television Association and California Cable Television Association, had objected to decision and plan to fight ruling in courts.

Question of whether telephone companies should be allowed to offer cable service within their telephone service areas has been central to FCC proceeding that could lead to dropping of FCC rules barring such crossownership and recommendation to Congress to eliminate redundant prohibition in Cable Communications Policy Act of 1984. Not waiting for FCC, Representative Howard Nielson (R-Utah) introduced legislation to eliminate statutory ban. Although he doesn't expect measure to go anywhere this year, Nielson said it could make headway in next Congress.

Even if FCC and Congress drop crossownership prohibitions, seven Bell operating companies would still be prevented from entering cable business by Judge Harold Greene's modified final judgment in consent decree that led to breakup of AT&T and creation of seven operating companies. National Telecommunications and Information Administration has petitioned FCC to preempt Greene's regulation of BOC's, arguing that Greene is hampering BOC's entry into information services, including cable. And President's Cabinet-level Economic Policy Council is considering legislation that would deregulate BOC's.

Duopoly/one-to-a-market. FCC officials, speaking at NAB convention (April 9-12), said record in duopoly and one-to-a-market rulemaking supports some relaxation of rules. But officials indicated that opposition from Hill to any FCC initiative involving liberalization of broadcast ownership rules makes any action on rules unlikely at this time. Also wishing to keep with Congress, NAB is not pressing for FCC action.

Broadcast-newspaper—Rupert Murdoch won victory in U.S. Court of Appeals in Washington March 29 when court ruled that statute passed by Congress in session's final hours violated First and Fifth Amendments by prohibiting FCC from extending current waivers of rule banning newspaper-television station crossownership. Action came too late to enable Murdoch to retain *New York Post*, which he sold in February to real estate developer Peter Kalikow for $37 million so that Murdoch could keep WNYW(TV) New York. But Murdoch now has opportunity to retain *Boston Herald* and WFXT-TV Boston. Court did not, however, rule on constitutionality of substance of provision that bars commission from repealing or modifying television-newspaper crossownership ban.

Senator Edward M. Kennedy (D-Mass.) and Senate Commerce Committee Chairman Ernest Hollings (D-S.C.) had attached measure to catch-all spending bill just before Christmas recess. Court, which heard oral arguments Feb. 11, has granted stay of Kennedy-Hollings measure until 45 days after it issues decision.

Meanwhile, FCC received comments on Freedom of Expression Foundation petition calling on FCC to repeal crossownership rules.

Direct Broadcast Satellites

■ Latest round of applications filed April 8 at FCC brings current total to eight U.S. firms holding or seeking DBS construction permits. Although threat to C-band cable distribution market is cited as major reason for wait-and-

interest. The FCC, similarly, has not spent any money surveying the public or even segments of the public to determine what their interests are. However, there is one group involved in this debate which spends millions and millions of dollars annually on a regular basis to determine the public interest. That's the radio and television licensees. And, what have they found out? Well, they have found out that in order to run a successful radio or television station, you must serve the public interest or at least some specialized interest of the public or some special public. This constant, objective, scientific surveying of the public interest not only produces ratings, but it also produces programing responsive to public needs. Need proof? Well, for instance, in the radio industry, you'll find certain markets where the top stations play country music. In other markets, you have to play popular music to win the ratings game. In some markets you'll find Spanish stations dominating the ratings. In still other markets you'll find lots of interest in classical music stations, all-news stations, all talk stations, etc.

None of these formats was developed by the FCC or by a mandate of Congress. They were all developed by commercial radio broadcasters who are sensitive to the public's needs.

Chairman Patrick, in his resounding keynote speech, said: "Let the public's interest determine the public interest." He said: "You and the market know the public interest as you watch the share points fluctuate." By creating the open, competitive, free marketplace, Congress has inadvertently let the commercial broadcasters actually research, discover and serve the public's interest. Now, the job is to convince Congress that the job has already been accomplished.—*Norman Wain, partner and chief executive officer, Metroplex Communications, Cleveland.*

Stand firm

EDITOR: Virtually all members of the Congress and FCC agree that the current rules which apply to the comparative renewal process are totally unfair and unethical. While admitting that a form of blackmail is the primary evil of the current process, the leaders in Congress appear to be attempting a form of blackmail of their own by suggesting that our only hope for legislative relief is to accept, or even request, reimposition of the so-called fairness doctrine. To even entertain the thought of such submission should be unthinkable. Yet this message seems to have seduced a number of otherwise responsible broadcasters at the National Association of Broadcasters convention just concluded.

For the first time in the history of our industry we now more nearly enjoy the same constitutional rights that our print brethren, and indeed everyone else (including convicts and the insane), have always enjoyed. We should now surrender this birthright in exchange for a mess of pottage? If we do, we can rest assured that no future President or sizable number of congressmen, and surely no future FCC, would ever seriously consider doing anything on our behalf. Not

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City _____ State _____ Zip _____
Type of Business _____ Title/Position _____
Signature (required) _____ Are you in cable TV operations ☐ Yes ☐ No

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work is looking at a few other original program projects for this summer, although the only additional efforts scheduled so far are two musical specials—*David Bowie: Glass Spider Special* (June 3) and *A Matter of Trust: Billy Joel and Russia* (June 3).

Stoddard also reported that the 30-hour mini-series, *War and Remembrance*, will be scheduled in the first quarter of 1989. He said the exact scheduling has not yet been worked out. Although the program will be available for airing in the fourth quarter of this year, Stoddard said the network has decided that NBC's summer Olympics from Seoul, South Korea, will drain most of the available "event" advertising dollars from the marketplace. "It makes more sense economically in the first quarter," he said. □

CBS revamps Saturday morning

Five new programs include animated in-house half-hour

CBS announced its new Saturday morning lineup for next fall, containing five new series, one of them a second animated half-hour show, *The Adventures of Raggedy Ann and Andy*, to be produced in-house. CBS Entertainment produces *CBS Storybreak*, a program of animated adaptations of children's books, with host Bob Keeshan (Captain Kangaroo). That show has been renewed for a fifth season. Five programs are being canceled from the Saturday slate, CBS said.

Two of the four other new shows are live action programs—*Hey Vern, It's Ernest* (DIC Enterprises/Emshell Productions) and *Flip!*, a magazine show for children and teen-agers (Earl Greenburg Organization in association with Gaylord Productions and Hal Roach Studios). Those will bring to three the number of live action shows on the CBS Saturday morning schedule (the other is *Pee-Wee's Playhouse*, the Emmy-winning series that returns for its third season). A prolonged writers strike could force a delay in the start of *Pee Wee's Playhouse*, as well as *Flip!*. *Hey Verne* is produced with non-union talent in Nashville and should not be affected. The animated shows are covered by the cartoonists union, not the Writers Guild, and should not be affected by the strike.

According to Judy Price, the CBS Entertainment vice president in charge of children's programing, the network is not intentionally shifting toward live action shows for economic reasons. In fact, she said, live action shows are no less expensive to produce than animation programs, and in some cases these shows cost more. The decision to pick up two more for next season, she said, was made on the creative merits of each program.

Hey Verne, It's Ernest is based on the character of a Disney theatrical film released more than a year ago, "Ernest Goes to Camp," that grossed more than $30 million. *Flip!* was a pilot originally designed for syndication, said Price. But a talent agent encouraged the producers to screen the show for her.

The new CBS-produced show, *Raggedy Ann and Andy*, said Price, is a kind of spin-off from *Storybreak*. One of the episodes of that show, also produced in-house, featured a *Raggedy Ann and Andy* story. That episode became a de facto pilot for the new series, which has been in development for two seasons.

Producing shows in-house is efficient, said Price. But she said CBS does not intend to produce more than a couple of Saturday morning shows that way. "It's efficient in terms of being able to eke out another series you couldn't afford otherwise," she said. "But we are going to approach in-house production very cautiously. It's important to have diversity of production" for creative reasons, she said.

The other two new Saturday programs are *Garfield and Friends* (United Media/Mendelson Productions) and *Superman* (Ruby/Spears Enterprises).

Shows being canceled are *Hello Kitty's Furry Tale Theater, Popeye and Son, Dennis the Menace, Teen Wolf* and *Galaxy High School*.

In addition to *Story Break* and *Pee-Wee*, returning shows include *Jim Henson's Muppet Babies* and *Mighty Mouse: The New Adventures*.

The new Saturday schedule, which debuts Sept. 17: 8 a.m., *The Adventures of Raggedy Ann and Andy*; 8:30, *Superman*; 9, *Jim Henson's Muppet Babies*; 10, *Pee-Wee's Playhouse*; 10:30, *Garfield and Friends*; 11, *Hey, Vern, It's Ernest!*; 11:30, *Flip!*, Noon, *Mighty Mouse*; 12:30 p.m., *CBS Storybreak*. □

NBC wins last week of season

Nielsen	□	Net	□	Show	□	AGB
1	29.4/49	A		Academy Awards	1	27.8/49
2	22.2/36	N		Different World	3	23.2/36
3	22.2/38	N		Cosby Show	2	23.6/40
4	22.1/36	N		Cheers	4	21.4/34
5	21.1/35	A		Barbara Walters Special	5	20.6/33
6	18.2/31	A		Who's the Boss?	9	17.6/30
7	18.0/34	N		Golden Girls	6	19.8/35
8	17.9/30	C		Murder, She Wrote	8	18.9/31
9	17.7/28	A		Wonder Years	12	17.1/28
10	17.7/30	N		L.A. Law	17	15.6/27
11	17.5/33	C		60 Minutes	7	19.4/37
12	17.4/28	A		ABC Sunday Movie	16	15.8/27
13	17.4/28	N		NBC Sunday Movie	14	16.3/27
14	17.3/29	N		Matlock	11	17.1/28
15	16.8/28	C		Knots Landing	18	15.5/27
16	16.8/30	C		Dallas	13	16.6/29
17	16.5/26	N		In the Heat of the Night	15	15.8/26
18	16.4/27	N		Days, Nights of M. Dodd	20	15.1/25
19	16.3/31	N		Amen	10	17.3/31
20	15.5/25	N		ALF	21	14.5/23
21	14.8/29	N		Hunter	19	15.1/30
22	14.4/23	A		Moonlighting	40	11.9/19
23	14.4/26	N		Miami Vice	32	12.4/23
24	14.2/26	C		Falcon Crest	26	13.1/24
25	13.7/26	C		Ringling Brothers Circus	25	13.4/24
26	13.5/24	C		Equalizer	39	12.0/22
27	13.5/22	N		Day by Day	24	13.6/22
28	13.4/21	N		Valerie's Family	28	12.8/20
29	13.3/23	A		Thirtysomething	51	10.7/19
30	13.3/23	N		Family Ties	22	13.7/23
31	13.1/21	C		CBS Tuesday Movie	27	13.0/22
32	13.0/21	N		Aaron's Way	33	12.4/21
33	12.9/22	A		Growing Pains	29	12.7/22
34	12.7/20	A		Head of the Class	30	12.6/20
35	12.6/20	A		Hooperman	34	12.3/20
36	12.3/21	A		Heartbeat	42	11.5/21
37	12.0/24	N		Facts of Life	37	12.2/24
38	11.8/19	C		Simon and Simon	38	12.0/20
39	11.6/21	A		20/20	23	13.6/25
40	11.6/20	N		Sonny Spoon Detective	44	11.2/20
41	11.5/19	C		CBS Sunday Movie	31	12.5/21
42	11.5/22	N		Storyteller	45	11.1/21
43	11.2/21	A		Full House	43	11.3/20
44	11.2/19	C		48 Hours	35	12.3/20
45	11.2/17	C		Jake and the Fatman	46	11.1/18
46	11.2/17	N		Year in the Life	50	10.7/17
47	11.1/22	A		Perfect Strangers	41	11.6/22
48	10.9/19	A		Mr. Belvedere	36	12.2/21
49	10.8/17	A		Just in Time	54	10.0/16
50	10.4/19	N		Night Court	48	10.9/19
51	10.2/16	C		CBS Monday Movie	53	10.1/15
52	9.8/16	C		Smothers Brothers	49	10.8/18
53	9.8/17	N		Beverly Hills Buntz	57	9.4/16
54	9.7/16	A		Supercarrier	59	9.0/15
55	9.7/15	N		NBC Monday Movie	62	8.4/13
56	9.5/17	A		Family Man	47	11.0/19
57	9.5/17	N		Bronx Zoo	61	8.6/16
58	9.4/18	N		Highwayman	52	10.2/18
59	8.9/18	C		High Mountain Rangers	55	9.9/19
60	8.8/17	A		Spenser: For Hire	63	8.0/16
61	8.8/15	A		Probe	64	7.7/13
62	8.6/16	C		Tour of Duty	58	9.1/16
63	8.6/16	N		Our House	60	8.9/17
64	8.3/14	A		Buck James	66	7.4/13
65	8.1/16	C		West 57th	56	9.4/19
66	8.0/15	A		Ohara	67	7.2/13
67	8.0/13	A		Hotel	65	7.6/12
68	7.2/14	A		Disney Sunday Movie	68	7.0/13
69	6.2/10	C		Kenny Rogers Special	70	5.7/9
70	6.1/12	A		Convers. with Presidents	69	6.8/13
71	5.4/9	C		My Sister, Sam	71	5.3/9
72	3.4/6	C		Lyndon LaRouche	72	4.0/7

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U.S. fare for UK DBS. The UK direct broadcast satellite service, British Satellite Broadcasting, plans to buy half of the programing for its three channels from U.S. producers, according to company executives.

The DBS service, to be launched late next year on a Hughes satellite, is a $1.2-billion venture with backing from Australian media financier Alan Bond, Granada, Virgin, publishers Pearson & Reed International and other programers, electronics manufacturers and investment services. Programing will be received on a one-foot satellite dish costing consumers an estimated $350.

Productions purchased from U.S. suppliers will include nearly 80% of the films on BSB's pay movie channel, Screen, which has budgeted $500 million for its first five years of operation, the executives said. Each year, it plans to license 240 new releases, 100 library products and 60 movies-of-the-week or made-for-TV movies.

service, said Ledwig, "trade-offs and cooperation" can occur among the CPB and the Departments of Labor, Health and Human Services and Education. Whether subcommittee members would consider that suggestion remains unclear.

"We'll do our best to maximize support" of CPB, said Representative John Porter (R-Ill.). And, when told that the administration had refused to comment on its denial of the $200-million satellite replacement request, Representative Steny Hoyer (D-Md.) said, "I'm going to call OMB and ask about that." But Representative Joseph Early (D-Mass.) took issue with the $200 million. "It's not a matter of how good a job you're doing, but a matter of priority," he said. The problem of satellite interconnection posed by the imminent death of the present system in 1991, he said, "is not going to be my priority when it comes to libraries, vocational aid and other programs."

The increase of $160 million between the 1990 and 1991 operating budgets, Ledwig said, would return CPB to funding levels of the late 1970's, before the cuts of the early 1980's. Noting the "leveraging power" of federal dollars, Ledwig said CPB can expect to gain four or five corporate dollars for every dollar the government provides to get a project off the ground and into promising shape. According to CPB figures for 1986, the latest year available, funding for public broadcasting breaks down this way: member-subscribers, 21.6%; state governments, 18.8%; businesses, 15.0%; federal-CPB, 14.0%; state-supported colleges and universities, 10.2%; local governments, 4.3%; foundations, 3.4%; federal government grants and contracts, 2.3%; auction participants, 2.0%; private colleges, 2.3%, and all other sources, 5.9%. "We have never reached the original goal of one federal dollar to every two nonfederal dollars," said Ledwig.

Said Natcher at the close of the meeting: "We may have to mark this bill up in the prayer room." □

Fewer and more powerful birds, smaller dishes, riper market for DBS

In a request for a four-year extension of its direct broadcast satellite construction permit, United States Satellite Broadcasting Co. (owned by Hubbard Broadcasting) argues that domestic U.S. satellite launches have resumed, that DBS is a reality in Japan and nearly so in Europe and that DBS technology is now manifest, including the mass manufacture of easily installed, less than one-meter dishes capable of receiving signals from the more powerful Ku-band satellites now being made. The market is ripe, says USSB, for DBS.

Nine firms, as of the April 8 FCC deadline for the latest round of DBS applications, now hold or are applying for DBS permits. Among the veterans filing anew is Tempo Satellite, 51% owned by Telecommunications Inc. (BROADCASTING, April 18), the nation's largest multiple cable system operator—an indication that another market roadblock is disappearing: given assurances it will not be bypassed by DBS, the cable industry may be ready to participate.

In addition to proposing more powerful birds (all applicants are proposing upgrades in power to 125-180 watts), most applicants are proposing fewer birds to broadcast 16 or 32 channels of programing. Most applicants have an eye toward co-locating two satellites at one orbital slot, each covering halves of the U.S. Continental Communications Corp., on the other hand, is looking to locate one full-CONUS (covering all of the continental U.S.), eight-channel bird at 110 degrees west longitude, then add two half-conus, eight-channel birds at both 61.5 and 148 degrees W.L., for a total of five birds and 24 channels offered nationwide. Several applicants said that with high construction costs, as well as launch and insurance industry uncertainties, they are looking at co-ventures with other licensees for shared in-orbit spares.

How orbital slot assignments will shake out at the FCC may prove problematic. Slots already assigned (all west longitude) include Hughes Communications, 32 channels at 101 degrees; Advanced Communications Corp., the 16 odd-numbered channels at 110 degrees and the 16 odd-numbered channels at 119 degrees (Advanced proposes to co-locate two 16-channel birds either at 101 degrees with Hughes—proposing to beam east on channels where Hughes beams West and vice versa—or at 110 degrees); Hubbard, eight even-numbered channels at 110 degrees and eight even-numbered channels at 148 degrees, and Dominion, 16 even-numbered channels at 119 degrees (like Hubbard, Dominion has filed a request for extension of time beyond next December, when both are due to have their systems operating). The remaining slots, 61.5, 157, 166 and 175 degrees are unassigned. "It's a real estate problem," said one applicant.

Comments on DBS applications have already been filed by GTE Spacenet, asking that the commission revisit the issue of defining DBS and fixed satellite services, and from the Association of Maximum Service Telecasters, asking that the 12.2 ghz to 12.7 ghz spectrum be preserved for terrestrial advanced television transmissions.

Direct Broadcast Satellite Applicants and Construction Permit Holders

	Number of birds (spares)	Channels	Cost (In millions of dollars)	First year to operate
Advanced	2	32	500	1991
Continental	5 (1)	24	640	1995
Direct*	2	16	320	1993
Dominion	1	16	proprietary	1995
Echostar*	2 (1)	16	461	1993
Hughes	2	32	proprietary	1991
Orbital*	2 (1)	16	422	1993
Tempo	2 (1)	32	500	1995 (one of two birds)
USSB	2	16	proprietary	1992

*new applicant, others already hold CP and have filed modification requests and/or requests for extension of time to launch and operate

5/3/88 C1750-1

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Broadcasting May 2

Cable 88: Heady but cautious times...page 35

Jim Mooney's vision of cable's future...page 38

TV networks turn in house for product...page 40

WIRED □ With cable penetration at 52%, new programing services launching and new highs for cable companies in revenue and cash flow, industry's future seems to have arrived. But in this interview with BROADCASTING editors, National Cable Television Association President Jim Mooney tells why cable is not "anywhere near peaking." **PAGE 38.**

RKO APPEAL □ Three FCC commissioners hear oral arguments in RKO General's appeal of FCC administrative law judge finding that RKO was unfit to hold licenses for its 14 stations. **PAGE 41.**

Attorney Timothy Dyk (l) argues on behalf of RKO before FCC Chairman Dennis Patrick.

NCTA 88 □ More than 13,000 cable executives and 307 exhibiting companies were expected at National Cable Television Association's annual convention in Los Angeles April 30-May 3, which will include examination of programing and business issues, Hill concerns and industry's "odyssey into 1990's." Preview, agenda and list of exhibitors begins on **PAGE 43.**

STORER DEAL □ Tele-Communications Inc. and Comcast sign definite agreement to buy Storer's cable properties, owned by Kohlberg Kravis Roberts & Co., for $1.55 billion. **PAGE 60.**

LEAVING FOX □ Derk Zimmerman resigns as head of Fox Television Stations. **PAGE 64.**

STRATEGIC OUTLOOK □ Top network, cable, studio, radio and technology figures examine future of broadcasting. **PAGE 64.**

ALMOST LIVE IN MOSCOW □ KING-TV Seattle reporter Jean Enersen's daily reports on events in Soviet Union appear live and uncensored—with one exception—on Soviet TV. **PAGE 71.**

REMOTE BOOM □ Giant portable radio remote studios provide high visibility for growing number of radio stations. **PAGE 74.**

KING AND I □ MCA Television and King World Productions form partnership to develop and produce programing. **PAGE 79.**

SAFE BET □ Since his initial move into cable 18 years ago, Jim Cownie has bet on industry's future. As outgoing NCTA chairman and president of Heritage Communications, it is with assurance that he says it was decision that has paid off. **PAGE 103.**

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BY THE NUMBERS

Summary of broadcasting and cable

BROADCASTING			
SERVICE	ON AIR	CP's	TOTAL *
Commercial AM	4,908	170	5,078
Commercial FM	4,045	418	4,463
Educational FM	1,314	173	1,487
■ Total Radio	10,267	761	11,028
FM translators	789	444	1,233
Commercial VHF TV	538	23	561
Commercial UHF TV	481	222	703
Educational VHF TV	118	3	121
Educational UHF TV	212	25	237
■ Total TV	1,349	273	1,622
VHF LPTV	93	74	167
UHF LPTV	258	136	394
■ Total LPTV	351	210	561
VHF translators	2,869	186	3,055
UHF translators	1,921	295	2,216
ITFS	250	114	364
Low-power auxiliary	824	0	824
TV auxiliary	7,430	205	7,635
UHF translator/boosters	6	0	6
Experimental TV	3	5	8
Remote pickup	12,338	53	12,391
Aural STL & intercity relay	2,836	166	3,002

CABLE	
Total subscribers	45,000,000
Homes passed	71,500,000
Total systems	8,000
Household penetration†	51.1%
Pay cable penetration	28.6%

* Includes off-air licenses.

† Penetration percentages are of TV household universe of 88.6 million.

Children's Television

■ House Telecommunications Subcommittee Chairman Ed Markey is seeking compromise with broadcasters on children's television bill. He is proposing legislation limiting commercial time in children's programs, but would not include original requirement that broadcasters air one hour per day of informational and educational programing. Bill would require FCC to review children's programs for educational and informational content as part of license renewal process. Broadcasters appear willing to accept commercial time limits, but balk at programing standard as part of renewal. Advertising industry has registered its concerns with measure. Association of National Advertisers in letter to Markey says limits on commercials would be "counterproductive," and "straightjacket the ability of advertisers and programers to respond to the marketplace and the public they serve."

Bill introduced by Representative Tom Tauke (R-Iowa) would eliminate antitrust restrictions and let industry arrive at code to govern children's advertising. Children's television legislation is also pending in Senate, but no action is imminent.

In response to U.S. Court of Appeals in Washington and petitions from Action for Children's Television, FCC launched broad inquiry into children's advertising. In its comments, ACT asked FCC to limit children's advertising to nine-and-a-half minutes per hour and require two-year period before toys featured in programs can be promoted.

NAB has presented survey indicating that advertising in children's programing is currently under proposed 9.5-minute limit.

Comparative Renewal

FCC is moving ahead with plans to revamp comparative renewal process. At National Association of Broadcasters convention, FCC Chairman Dennis Patrick called for changes to curb use of process to force broadcasters into lucrative settlements and to establish "clearly articulated standard" that, if met, would assure broadcasters "a reasonable expectation of renewal."

Assuaging concerns of NAB, Patrick indicated FCC would stop short of adopting changes that would virtually assure license renewal. NAB feared that such an approach could cause congressional backlash.

Reform has some support on Hill, particularly from Republicans. Seventeen Republican members of House Commerce Committee sent letter to FCC Chairman Dennis Patrick urging him to reform comparative license renewal procedures.

Leibowitz & Spencer, Miami-based communications law firm, has asked FCC to expedite its earlier petition for reform rulemaking to put potential challengers on notice that applications may be subject to more stringent scrutiny than in past.

Compulsory License

FCC is conducting inquiry into cable compulsory license; if views of FCC Chairman Dennis Patrick are guide, inquiry could lead to recommendation that Congress abolish license. At Association of Independent Television Stations convention in January, Patrick said world in which cable can refuse to carry independent's signal while enjoying right to carry any signal it pleases is intolerable. Reexamination of license on Capitol Hill could occur in context of broadcasters' efforts to resurrect must-carry requirements there. House Telecommunications Subcommittee member John Bryant (D-Tex.) has offered legislation (BROADCASTING, April 4) that would condition compulsory license on whether cable operator is carrying local broadcast signals. NAB television board has directed staff to investigate all aspects of compulsory license as part of joint board's consideration of must carry issues. In comments on license inquiry, cable generally supported retention of license while program producers opposed it. NAB softened its long-standing opposition, arguing that license should be left alone for time being.

Crossownership

■ *Telco-cable*—On April 12, FCC Common Carrier Bureau issued waiver of its Cable-telco crossownership rules, allowing GTE to build cable system in Cerritos, Calif. Cable groups, including National Cable Television Association and California Cable Television Association, had objected to decision and plan to fight ruling in courts.

Question of whether telephone companies should be allowed to offer cable service within their telephone service areas has been central to FCC proceeding that could lead to dropping of FCC rules barring such crossownership and recommendation to Congress to eliminate redundant prohibition in Cable Communications Policy Act of 1984. Not waiting for FCC, Representative Howard Nielson (R-Utah) introduced legislation to eliminate statutory ban. Nielson said measure could make headway in next Congress.

Even if FCC and Congress drop crossownership prohibitions, seven Bell operating companies would still be prevented from en-

SERVICE TO CHILDREN AWARDS COMPETITION

National Association of Broadcasters applauds the following stations for their award-winning children's programs and community outreach activities:

KEYT, Santa Barbara, CA
KING-TV, Seattle, WA
KOMO-TV, Seattle, WA
KULR-TV, Billings, MT
WBNG-TV, Binghamton, NY
WDTN, Dayton, OH
WEVV, Evansville, IN
WNYW, New York, NY
WSMV, Nashville, TN
WSOC-TV, Charlotte, NC
WTAJ-TV, Altoona, PA
WXIX-TV, Cincinnati, OH

And a special salute to **WTAJ-TV, Altoona, PA** winner of this year's Post-Newsweek Award for "Action News for Kids."

NAB BROADCASTERS

ing. Coeur d'Alene, Idaho. Information: Ruth Baxter, (303) 980-1411.

May 17—"Doing Business with Advertising Agencies," breakfast seminar sponsored by *Producers Council of International Communications Industries Association*. Gangplank restaurant, Washington. Information: (703) 273-7200.

■ **May 17**—*Cabletelevision Advertising Bureau* media research workshop. LAX Hilton, Los Angeles. Information: Nancy Gomez, (212) 751-7770.

■ **May 17**—20th World Telecommunication Day, commemorating the founding of the *International Telecommunication Union* in 1865, under the name "International Telegraph Union." Theme: "The transfer of technological know-how in the age of electronics." Information: 41-22-99-59-69/99-51-92.

■ **May 18**—*Cabletelevision Advertising Bureau* media research workshop. DFW Airport Harvey hotel, Dallas. Information: Nancy Gomez, (212) 751-7770.

May 18—*New York Television Academy* luncheon. Speaker: Phil Donahue, host of nationally syndicated *Donahue*. Copacabana. Information: (212) 765-2450.

May 18-19—Sports Conference. New York Marriott Marquis hotel, New York. Information: (212) 213-1100.

May 18-19—*Direct Marketing Day in New York*. New York Hilton, New York. Information: (212) 362-6642.

May 18-21—*American Association of Advertising Agencies* 70th annual convention. Greenbrier, White Sulphur Springs, W. Va.

May 18-22—Public Radio Conference, annual meeting of *National Public Radio* and *American Public Radio*, coordinated by *National Public Radio*. Adam's Mark hotel, St. Louis. Information: (202) 822-2000.

May 19—*American Women in Radio and Television, Washington chapter*, presentation of Esther Van Wagoner Tufty Award to local woman broadcaster. Sheraton Washington hotel, Washington. Information: Betsy White, (703) 276-1261.

May 20—*Women in Communications, D.C. chapter*, annual Matrix luncheon. Capital Hilton, Washington. Information: (202) 525-2226.

■ **May 20**—*Cabletelevision Advertising Bureau* media research workshop. O'Hare Hyatt Regency, Chicago. Information: Nancy Gomez, (212) 751-7770.

May 20-22—*Radio Advertising Bureau* radio sales university. Washington. Information: (212) 254-4800.

May 20-22—"Economics and the News," conference for journalists co-sponsored by *Foundation for American Communications*, *Gannett Foundation* and *KARE11*. Scantion Minneapolis Executive Conference Center and hotel. Plymouth, Minn.

■ **May 21**—40th annual Los Angeles Area Emmy Awards presentation, sponsored by *Academy of Television Arts and Sciences*. Pasadena Civic Auditorium, Pasadena, Calif. Information: (818) 763-2975.

May 21—*Michigan Associated Press Broadcast Association* annual meeting and seminars held in conjunction with *Michigan Association of Broadcasters* and region eight of *Radio-Television News Directors Association*. Clarion hotel, Lansing, Mich. Information: Carol Riha, (313) 259-0650 or Karole White, (517) 694-4977.

Errata

In April 18 "Syndication Marketplace," *AIDs Lifeline* was attributed to Group W Productions. ***AIDs Lifeline*** is actually product of **Group W Television Sales,** Group W unit responsible for sales of national spot time on Group W television stations, as well as sales of certain other productions, including *P.M. Magazine*.

□

April 25 box on national rollout of **R.D. Percy peoplemeter system,** said system differed from those of Nielsen and Arbitron; it should have said it was **different from** those of Nielsen and **AGB.**

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□

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evolve as a complementary service to cable because cable operators have the necessary infrastructure.

At least three cable MSO's—Jones, Warner and Cablevision Systems—have recognized the potentially complementary nature of MMDS. "MMDS complements cable where cable doesn't reach," said Jones. He added, "We wouldn't look at it as competitive to cable."

By most accounts, the cable business had a strong first quarter of 1988. The nation's largest MSO, Tele-Communications Inc., better known for its system acquisitions than marketing prowess, added 100,000 subscribers in internal growth alone in the quarter. American Television & Communications added 80,000 basic subscribers and 100,000 pay units in the first quarter, Trygve Myhren, chairman and chief executive officer of ATC, told the company's annual meeting of shareholders last week. "That puts us in almost 58%" of the homes ATC systems pass, he said, "and puts us right on target to achieve 70% penetration by 1993."

Lost in the background of the sale of Storer's cable properties has been that company's continued growth. It added 30,000 subscribers in the first quarter, said Ken Bagwell, president of Storer's cable division, but more important, it became the first top five MSO to break the 60% penetration barrier. The reason, he said, "is plain, dogged marketing.... We're spending solid marketing dollars and it's paying off very, very well."

Comcast Cable President Robert Clasen said the company added 25,000 basic subscribers and nearly 35,000 pay units in the first quarter. Viacom Cable added 17,000 basic and 17,000 pay subscribers in the quarter.

The pay services, as reflected in the MSO numbers, continue to thrive. Michael Fuchs, HBO chairman, will tell analysts at the NCTA convention today (May 2) that the first quarter was one of the best HBO and Cinemax have had. The company undertook its most extensive marketing campaign earlier this year, an HBO spokesman said, and had "terrific participation" by operators.

Frank Biondi, president and chief executive officer of Viacom International, said its Showtime/The Movie Channel group had "a very good quarter." Showtime was responsible for most of the growth, but The Movie Channel "grew each month," said Biondi, which he took as a good sign considering "virtually nothing has been spent on it." In 1987 The Movie Channel lost 300,000 subscribers, and the company this week will present plans to accelerate The Movie Channel's recovery. Said Ken Bagwell: "Everything in that pay area seems to have turned around from a year ago."

The subscriber increases are driving increases in viewership of cable programing. According to an analysis by the Cabletelevision Advertising Bureau, cable viewing (including that of superstation WTBS[TV] Atlanta) in total TV households in prime time has

CABLE'S TOP 50*

MSO's

Company	Basic subs	Homes passed	Pay units	Basic penetration
1. TCI	9,516,244	17,133,036	7,668,215	55.54%
2. ATC	3,700,000	6,480,000	3,030,000	57.09%
3. Continental	2,169,000	4,050,000	2,446,000	53.55%
4. Comcast	2,094,000	3,693,000	1,779,500	56.70%
5. Cox	1,441,849	2,497,387	1,303,712	57.73%
6. Warner	1,343,584	2,485,285	1,116,796	54.19%
7. Newhouse	1,098,072	1,661,470	1,060,023	66.09%
8. Viacom	1,080,400	1,820,000	776,700	59.36%
9. Cablevision Systems	1,042,508	1,827,869	2,149,296	57.03%
10. Jones Intercable	1,012,602	1,546,733	772,470	65.46%
11. Times Mirror	918,480	1,616,724	631,225	56.8[illegible]
12. Sammons	831,615	1,341,110	629,512	62.00%
13. Century	690,000	1,300,000	502,000	53.07%
14. Paragon Cable	670,000	1,277,000	494,000	52.46%
15. Adelphia	651,268	1,017,468	472,348	64.00%
16. Cooke Cablevision	621,595	997,609	310,000	62.30%
17. Cablevision Industries	597,650	933,828	428,745	64.00%
18. Telecable	547,776	848,897	572,000	64.52%
19. Centel	535,952	896,306	374,763	59.79%
20. Rogers	525,000	1,000,000	500,000	52.50%
21. Falcon Cable TV (Choice)	488,440	810,272	307,243	60.28%
22. Scripps-Howard	460,000	898,000	374,000	51.22%
23. Wometco	429,139	727,072	249,027	59.02%
24. Prime Cable	418,134	921,563	484,753	45.37%
25. Post-Newsweek	389,251	583,643	266,143	66.69%
26. Multivisions	381,398	626,568	237,797	60.87%
27. TCA Cable	340,714	432,000	150,187	78.86%
28. Maclean Hunter	315,702	633,917	429,608	49.80%
29. Multimedia	307,014	571,172	253,745	53.75%
30. Telemedia	300,384	448,396	145,080	66.99%
31. Rifkin	295,000	478,000	163,400	61.71%
32. Colony	256,145	452,413	245,954	56.61%
33. Western	253,924	345,687	133,072	73.45%
34. Simmons	226,611	402,818	168,603	56.25%
35. Star Cablevision Group	224,471	343,582	120,828	65.33%
36. Service Electric	213,000	300,000	76,000	71.00%
37. Hauser	197,304	496,051	218,347	39.77%
38. Greater Media	163,924	268,443	165,147	61.06%
39. Media General	163,791	254,073	230,254	64.46%
40. Harron	161,779	228,320	148,556	70.85%
41. Sutton Capital Group	160,133	285,950	165,081	56.00%
42. NYT Cable	155,063	256,378	146,967	60.48%
43. Palmer Communications	151,400	193,130	70,526	78.39%
44. Armstrong Utilities	144,737	188,368	94,239	76.83%
45. U.S. Cable Corp.	142,126	285,688	132,553	49.74%
46. The Cable System (Blade)	132,378	225,000	89,983	58.83%
47. Summit	127,965	203,878	97,998	62.76%
48. Cable Systems USA	127,374	178,640	43,019	71.30%
49. Sonic Communications	116,503	240,481	109,217	48.44%
50. King Videocable	115,846	168,994	67,757	68.55%

*TCI figures include both consolidated and unconsolidated numbers, which include subscriber counts for United Artists, Heritage, United Cable, Lenfest, Cencom, Communications Services, Taft Cable Partners, TKR Cable, Columbia International and Bresnan Communications. Figures also include TCI's portion of Storer and UA's portion of Daniels purchase. Comcast's figures include its portion of Storer properties. Paragon is joint venture of ATC and Houston Industries. Figures compiled by BROADCASTING and from industry sources.

Cable's shrinking world

The purchase of Storer's cable properties by Tele-Communications Inc. and Comcast (see page 60) is the latest example of the growing concentration of ownership in the cable industry. With two other companies on the market, Wometco and Rogers U.S. Cablesystems (see "In Brief"), that consolidation is expected to continue.

BROADCASTING, at left, has compiled a prospective list of the top 50 MSO's; subscriber counts include pending acquisitions. TCI, counting both the parent company and subsidiary interests, plus its pending purchases, will reach 21% of the nation's 45.5 million cable subscribers. The top five companies collectively reach 42% of cable subscribers, and the top 10 reach 54%.

First week of 'summer season' goes to NBC

Nielsen		Net		AGB	
1.	23.6/39	N	Different World	2.	23.6/39
2.	22.9/40	N	Cosby Show	1.	24.2/41
3.	22.1/36	N	Cheers	3.	22.8/37
4.	19.7/36	N	Golden Girls	4.	21.1/37
5.	18.6/31	N	NBC Monday Movie	6.	18.6/31
6.	18.5/35	C	60 Minutes	5.	20.2/37
7.	18.0/30	N	ALF	9.	17.5/29
8.	17.6/27	A	Wonder Years	8.	17.9/28
9.	17.4/29	N	L.A. Law	15.	15.7/28
10.	17.2/28	A	Who's the Boss?	7.	18.6/30
11.	16.7/30	N	Amen	11.	17.0/30
12.	16.2/26	N	Valerie's Family	14.	16.0/25
13.	16.1/26	N	Days, Nights of M. Dodd	16.	15.4/25
14.	15.7/25	N	Matlock	12.	16.6/26
15.	15.6/25	A	ABC Sunday Movie	17.	14.9/24
16.	15.6/26	C	Murder, She Wrote	13.	16.5/27
17.	15.2/26	A	Growing Pains	21.	14.4/25
18.	15.2/24	C	CBS Sunday Movie	10.	17.0/27
19.	15.1/24	A	Head of the Class	23.	13.9/23
20.	15.1/25	C	CBS Special Movie-Thu.	19.	14.7/25
21.	15.0/27	C	CBS Special Movie-Fri.	20.	14.5/27
22.	14.8/28	N	Hunter	18.	14.8/28
23.	14.5/23	N	J.J. Starbuck	25.	13.8/22
24.	14.0/22	N	NBC Sunday Movie	22.	14.0/23
25.	13.8/23	N	Family Ties	24.	13.9/23
26.	13.7/22	N	Day by Day	30.	12.9/21
27.	13.7/24	N	NBC News Special	28.	13.4/24
28.	13.4/24	C	Equalizer	27.	13.6/25
29.	13.2/21	C	Newhart	29.	13.3/21
30.	13.0/21	A	MacGyver	32.	12.8/21
31.	13.0/22	C	CBS Tuesday Movie	40.	11.8/20
32.	12.8/25	N	227	26.	13.8/25
33.	12.4/22	A	Heartbeat	46.	10.6/20
34.	12.3/23	A	20/20	36.	12.2/23
35.	12.2/19	A	Hooperman	45.	10.7/17
36.	12.0/19	C	Designing Women	35.	12.3/20
37.	12.0/19	N	Decision '88: N.Y. Primary		
38.	11.8/19	A	Moonlighting	44.	11.0/18
39.	11.6/19	C	Kate and Allie	33.	12.6/21
40.	11.5/18	C	Eisenhower and Lutz	43.	11.3/18
41.	11.4/21	A	Full House	31.	12.8/24
42.	11.2/19	N	Aaron's Way	34.	12.3/21
43.	11.1/20	A	Mr. Belvedere	41.	11.7/21
44.	11.1/18	C	Jake and the Fatman	42.	11.3/18
45.	10.7/17	A	Just in Time	51.	9.5/15
46.	10.6/21	A	Perfect Strangers	37.	12.2/24
47.	10.6/21	N	Facts of Life	38.	11.8/23
48.	10.5/18	A	Thirtysomething	47.	10.0/18
49.	10.4/18	C	Cagney and Lacey	49.	9.8/17
50.	10.3/17	A	ABC Monday Movie	48.	9.9/17
51.	10.3/16	C	Flashbeagle, C. Brown	58.	8.7/13
52.	10.2/16	N	St. Elsewhere	39.	11.8/19
53.	10.0/16	C	Bugs Bustin' Out All Over	61.	8.5/14
54.	9.7/19	C	Beauty and the Beast	57.	9.0/17
55.	9.5/16	A	Supercarrier	54.	9.3/15
56.	9.5/17	N	Miami Vice	60.	8.6/16
57.	9.4/17	N	Bronx Zoo	55.	9.2/17
58.	9.2/17	A	Family Man	50.	9.7/18
59.	9.2/18	A	Spenser: For Hire	53.	9.3/17
60.	9.2/17	A	Disney Sunday Movie	68.	7.7/14
61.	9.0/16	N	Night Court	59.	8.6/16
62.	8.8/15	A	Heartbeat Special	67.	7.9/14
63.	8.6/17	C	High Mountain Rangers	62.	8.3/16
64.	8.6/17	N	Highwayman	64.	8.3/16
65.	8.4/14	A	Peter Beard in Africa	52.	9.3/16
66.	8.0/14	A	Ohara	63.	8.3/15
67.	8.0/14	C	Tour of Duty	72.	7.5/13
68.	8.0/15	N	Beverly Hills Buntz	66.	8.0/15
69.	7.5/15	A	Dolly	56.	9.2/17
70.	7.8/13	C	Smothers Brothers	69.	7.7/13
71.	7.8/15	C	West 57th	71.	7.6/14
72.	7.2/12	C	48 Hours	70.	7.7/13
73.	6.9/13	N	Our House	65.	8.3/15
74.	6.6/11	A	Hotel	73.	6.4/10

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clude *Family Feud* (debuting this fall) and *American Bandstand*. Offerings from Casablanca IV, formed in May 1987, include *Hit Squad*, a late night strip that debuted in January, and *Speaking of Everything*, a recently canceled late night talk show.

Currently LBS is responsible for international sales of Casablanca IV programing, as well as the sale of barter time in *Hit Squad*.

Casablanca President Dick Gold said that the partnership is designed to allow the companies to handle more product. LBS Chairman Henry Siegel said the partnership should result in 25% growth in LBS revenue, to about $150 million.

Turner eyes '88 summer Olympic events for TNT, WTBS

NBC says other cable interests have broached same subject and that it has taken idea 'under advisement'

Ted Turner said last week that TBS has had discussions with NBC about acquiring some events of this summer's Olympics in Seoul, South Korea, which TBS would run on superstation WTBS(TV) Atlanta or on Turner's proposed basic cable service, Turner Network Television (TNT), which is scheduled to make its debut on Oct. 3.

NBC "is a lot leakier place than we are," said Turner, in answer to questions during a speech for the New York chapter of the National Academy of Television Arts and Sciences. "The story," he said, in confirming discussions "must have gotten out over there" at NBC.

"It is difficult to see how [such a deal] could be done at this point," said Tom Rogers, NBC vice president of policy planning and business development, "but it is not theoretically impossible." As no detailed talks with Turner have occurred, Rogers said, NBC "knows no more than the broad brushes of [Turner's] proposal. Turner obviously has a lot of hours to fill [on TNT], and he's obviously looking for premium product, which the Olympics certainly are." Other cable interests have broached the subject as well, Rogers added. "We have taken the idea under advisement. We haven't said, 'No'," he said.

"As a practical matter," said one network source, "a deal with Turner would not be done without full protection for advertisers signing with NBC." Some advertisers, for example, sign on as the exclusive manufacturers of a product sponsoring the Olympics. Separate deals between manufacturers of the same type of product and a nonnetwork

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